Government of Saskatchewan

Annual Report

1991

Saskatchewan
Milk
Control
Board

FIFTY-SEVENTH ANNUAL REPORT

FOR THE TWELVE MONTHS

ENDED DECEMBER 31, 1991

92-05583/

SASKATCHEWAN MILK CONTROL BOARD

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SASKATCHEWAN MILK CONTROL BOARD

Honourable Roy Romanow
President of the Executive Council
Province of Saskatchewan

Sir:

I have the honour to submit herewith the Fifty-Seventh Annual Report of the Saskatchewan Milk Control Board, together with the financial statements for the year ended December 31, 1991, pursuant to the Provisions of Section 38 of the Milk Control Act.

Respectfully submitted,

THE MILK CONTROL BOARD

S H Barber

Stan H. Barber
Chairman

SASKATCHEWAN MILK CONTROL BOARD

BOARD MEMBERS

CHAIRMAN

Mr. Stan Barber, Regina

MEMBERS

Mrs. Henrietta Goplen, Saskatoon
Dr. Eiler Humbert, Saskatoon
Mr. Hans Seitz, Zehner
Mr. Ron Steinley, Rush Lake

OBJECTIVES

The Milk Control Board is a body corporate established pursuant to The Milk Control Act. The Board is appointed by the Lieutenant Governor in Council and is responsible for the administration of The Milk Control Act. The Act empowers the Board to make regulations or orders; inquire into any matter relating to production, supply and distribution of milk; and conduct hearings in connection with milk pricing, regulation changes, use of quotas and the granting of licenses.

The Milk Control Board plays a key role in the establishment and implementation of Saskatchewan's dairy policy, and thus promotes the development and maintenance of a healthy and viable dairy industry in Saskatchewan. The Board works closely with producers, processors and the Saskatchewan Department of Agriculture and Food on matters relating to the dairy industry and strives to assure Saskatchewan consumers have an adequate supply of quality dairy products at a reasonable price.

SASKATCHEWAN MILK CONTROL BOARD

The Board performs a number of regulatory and service functions; the principle functions are to:

- set milk prices;
- license milk manufacturers;
- conduct plant audits;
- set producer milk and cream quotas;
- establish quota policies.

The Board has employed six full time staff members to administer Saskatchewan's Milk Control Act. The support received by the Board from its staff, advisory committees, processors and producers has been very much appreciated.

The Board is dedicated to creating an atmosphere of competition and market responsiveness within the constraints and disciplines of a supply managed dairy industry.

INTRODUCTION

The Milk Control Board of Saskatchewan just completed its 57th year of operation. During 1991, the dairy industry continued to enjoy price and income stability associated with a supply-managed industry. However, declining consumption of butterfat nationally, along with a slight decline in fluid milk consumption within Saskatchewan, resulted in a reduction in production quotas and, therefore, a smaller dairy industry.

The marketing of milk is governed at both the federal and provincial levels in Canada. In 1991, 46 percent of milk produced in Saskatchewan was used in the fluid market (for table milk and fresh cream) and the remaining 54 percent was directed to the national market share quota for industrial

milk processing (for products like butter, ice cream, yogurt and cheeses).

Each province is responsible for the production of its own fluid milk and sets its own pricing formulas, quota policies and other regulations. The federal government has jurisdiction over the industrial milk quotas and interprovincial trade of dairy products through a federal-provincial agreement, the National Milk Marketing Plan.

All Saskatchewan dairy farmers produce milk which is used for both fluid and industrial purposes because the Board allocates a combination quota to each producer designed to meet provincial needs for both industrial and fluid milk. Producers receive a pooled or blended price on all milk deliveries, based on total combined sales of fluid and industrial milk.

Although the trend is toward fewer dairy farms, they are becoming larger. The average dairy farm in Saskatchewan has a daily milk quota of approximately 915 kilograms requiring an average dairy herd of approximately 70 milk cows. Better feeding, disease control and genetic advancements have increased the amount of milk produced per cow.

The continuing shift away from butterfat consumption at the consumer level has resulted in a renewed interest in multiple component pricing of milk. Several multiple component pricing options are currently being reviewed at both the federal and provincial levels of the dairy industry. The task of changing to multiple component pricing is complicated by the range of dairy products and their composition, as well as the regulated milk price levels which are based on utilization. It is anticipated that a transitional phase will be required as milk

component values are adjusted in response to market trends.

In response to the continuous decline in domestic consumption of butterfat, the Board, in consultation with the industry representatives altered the butterfat differential payment to decrease the incentive payment to producers for milk with higher butterfat concentration. Effective February 1, 1991, the butterfat differential paid on milk was decreased from 46 to 20¢ for each 0.1 percent above or below the 3.5 percent butterfat base. In arriving at this decision, the Board determined that a lower butterfat differential reflects market-place conditions and the increasing consumer preference for low-fat dairy products and therefore, should be reflected in producer payments.

While consumers strongly support farmers, they are mainly interested in ensuring nourishing food for their families at the lowest possible price. Saskatchewan producers, processors and retailers need to appreciate that all sectors of the Saskatchewan agri-food system must work together to promote the purchase of Saskatchewan dairy products by consumers.

MILK PRODUCTION AND UTILIZATION

Saskatchewan milk producers marketed a total of 211,695,642 kilograms of milk with a total value of $102,248,499. This represents a 3.04 and 1.7 percent decrease respectively from the 1990 levels (Table III). The average number of milk producers in the province in 1991 was 636, which represents a decrease of nineteen producers, or 2.9 percent. The average daily shipment per producer decreased marginally by 0.1 percent.

Class I milk, or milk utilized for fluid milk consumption, accounted for 96,229,139 kilograms, a decrease of 0.98 percent compared to 1990.

During the past six years, the total yearly milk quota increased slightly from 209,288,652 kilograms in 1986/87 to a high of 220,103,347 kilograms in 1989/90. As a result of recent quota reductions, the total yearly production quotas in 1991/92 have declined to approximately the 1986/87 levels (Table IV). During the same period, production has shifted from 723 producers with an average yearly quota of 289,473 kilograms to 635 producers shipping a yearly average of 330,467 kilograms.

Since the implementation of the new quota transfer policy in 1986, quota has been allowed to transfer from producer to producer throughout Saskatchewan through sale of quota.

The number of producers and average provincial quota held within each region is depicted in Table IV. Although quota has been transferred amongst producers throughout Saskatchewan, the share of quota held by producers within each area has remained relatively constant.

During 1991, the sale of home-delivered, wholesale and country milk remained relatively constant with that recorded in 1990 (Table V).

With respect to the National Supply Management Program, quota reductions and an agreement on fluid milk skim-off were concluded during 1991. In an effort to find a solution to the inter-provincial tensions caused by continuing erosion of the industrial milk market by fluid skim-off, the members of the Canadian Milk Supply Management Committee agreed to the following seven points:

1. direct provincial accountability for future increases or decreases in skim-off originating from the fluid milk sector;

2. limited waivers on provincial accountability for future increases in fluid skim-off for those provinces having a lower percentage of fluid skim-off to total fluid sales than the national 1990 average;

3. provincial sharing of the national levy cost for the supply-managed program on the basis of total provincial milk production, to be phased in over three dairy years;

4. endorsement of the Dairy Bureau of Canada proposal to increase advertising and promotion through a provincial assessment;

5. increase in the Market Share Quota sleeve from 3 percent of the domestic requirements to 4 percent;

6. the establishment of a Subcommittee of the Canadian Milk Supply Management Committee to deal with issues of inter-provincial harmonization and other problems facing the industry; and

7. a commitment to Nova Scotia to limit that province from a further Market Share Quota reduction beyond August 1, 1993, if a national quota exchange is not in place by that time.

The committee agreed that in future each province will be responsible for the increase of butterfat (skim-off) diverted to the industrial market from its fluid sector.

The shift in provincial levy assessments to all milk distributes the costs of the national supply

management program over total milk production, lessening the burden on the industrial milk sector. The three-year phase-in of the levy to all milk provides time for each province to adjust to the change. The phase-in will be completed in 1993-94 when provincial levy assessments will be based on total milk production.

PRODUCER POOLS

All Saskatchewan milk producers participated equitably in the Group I pooling program. As a Group I pool member, each producer received annually a daily quota based on shipments during the six month quota building period (September 1 to February 29).

During 1991, producers received no increase in fluid (Class I) raw milk price. However, at the national level, the Canadian Dairy Commission (C.D.C.) announced an increase in the target price to producers for industrial milk of $1.19 per hundred kilograms effective August 1, 1991.

The Saskatchewan milk pool purchased approximately $8.52 million of milk each month for a total of $102.2 million for the year. The average monthly prices paid to producers for Group I pool milk shipments, based on milk testing 3.5 percent butterfat is shown in Table VI. The average 100 kilogram Group I and Group II pool pay-outs increased by 0.90 and 1.85 percent respectively during 1991.

The fluid milk cost of production formula continued to be used by the Board as a guide in establishing the price of Class I milk. Based on the results of the formula, no producer price adjustment was warranted during 1991.

During the past year, the Board adjusted quota policies to allow quota to be transferred without the milking herd. Policy changes also require the application to transfer quota to be received at the Board office prior to the fourth day of each calendar month in order for transfers to become effective on the first day of the month following approval of the transfer.

All quota transfers are subject to the approval of the Board. The Board continues to maintain a very close scrutiny on transfers in an effort to ensure that speculation in quotas is prevented.

The distribution of dairy units and quota allocation is depicted in Table I.

TABLE I

FARM TYPE AND QUOTA ALLOTMENT - 1990 & 1991 (AUG. 1)

	1990		1991	
	Number	Daily Qta. Ave (kgms)	Number	Daily Qta. Ave (kgms)
Single Proprietor	398	760	371	756
Limited Company	56	1,356	56	1,361
Colony	44	1,287	45	1,295
Partnership	158	1,020	163	981
Total	656	909	635	905

The Canadian government announced an increase in the target return for industrial milk of $1.19 per hundred kilograms on August 1, 1991. This increase was achieved by increasing the support price for skim milk powder, but with no increase in the support price for butter. A move in this direction had been recommended by the Dairy Task

Force and strongly supported by Saskatchewan members to the Canadian Milk Supply Management Committee.

TRANSPORTATION

During the past year, two processing plants were closed: the Palm Dairies plant in Estevan and the Palm Dairies plant in Regina. Fluid milk processing was transferred to Palm Dairies, Saskatoon (Beatrice Foods, Inc.). Under regulations of the pool, producers are charged haulage to the nearest milk processing plant. With the foregoing in mind, the Board along with members of the industry has been examining alternatives that would minimize trucking rate costs to milk producers affected by plant closures.

During 1991, the average cost of transporting 100 kilograms of milk increased by approximately 4 percent. The total cost of transporting milk was $4.37 million, or an average cost of $2.07 per 100 kilograms. The transportation cost comparison is depicted in Table II.

TABLE II

TRANSPORTATION VOLUMES AND RATES - 1985 TO 1991

YEAR	VOLUME TRANSPORTED (KGMS)	AVERAGE RATE PER 100 KGMS
1991	211,695,642	$2.07
1990	218,332,205	1.99
1989	220,019,313	1.85
1988	226,918,796	1.85
1987	218,010,030	1.85
1986	214,162,415	1.84
1985	203,294,363	1.81

As a result of plant amalgamation and shifts in milk production, the industry is having to haul milk further distances. The Board acknowledges and appreciates the commitment of bulk milk transporters in maintaining an efficient transportation system.

NATIONAL DAIRY POLICY

Because of a continuing drop in butterfat consumption, all provincial industrial milk and cream quotas (Market Share Quotas) were reduced by 4.7 percent effective August 1, 1991. In response to this reduction, the Board decided to reduce all Saskatchewan milk and cream quotas by 2% for the 1991-92 dairy year. The smaller quota reduction in Saskatchewan was due to the fact that the 20 percent transfer assessment is utilized to offset quota reductions. With the continued weakness in the butter market and the continued shift to low-fat dairy products, additional quota reductions can be expected during 1992.

In Saskatchewan, milk and cream producers shipped 4.271 million kilograms of butterfat in the 1990/91 dairy year, utilizing 103 percent of the provincial Market Share Quota allotment (Table VII). After meeting the Board's commitments regarding the payment of levies to the Canadian Dairy Commission, the Board was able to refund approximately $470 thousand of the total $1.4 million collected as overquota levies. Individual milk and cream producers, therefore, received refunds on their overquota production up to and including 1.46 percent of their individual quotas. Any overquota penalties collected on shipments in excess of 101.46 percent were not refunded, but forwarded to the Canadian Dairy Commission.

Cream producers shipped 233,401 kilograms of Market Share Quota, or approximately 5.6 percent of the total Market Share Quota (4,144,888) issued to the province for the 1990-91 dairy year. During the past five years, Market Share Quota allocation for cream producers declined from 480,092 kilograms of butterfat to 233,401, a decline of 51.4 percent (Table IX).

In June 1991, the final report on the Federal Government's Task Force on National Dairy Policy was tabled. In its report, the Task Force called upon the Canadian Dairy Commission to take a lead in implementing its recommendations. In total, the Dairy Task Force Report presented twenty-three recommendations. One area focused on greater transparency in the system as well as more participation by non-producer industry stakeholders. They also recommended the establishment of an independent appeals tribunal to rule on matters related to pricing.

The Canadian Dairy Commission has already acted on certain recommendations where it has clear jurisdiction.

To oversee the implementation of the recommendations in the Task Force Report, the Federal Minister of Agriculture established a committee. Chaired by the Federal Deputy Minister of Agriculture, the committee includes all the Provincial Deputy Ministers of Agriculture, as well as producer and processor representatives and a consumer representative.

MILK CONTROL BOARD ACTIVITIES

There were no changes in the Board structure in the year under review.

SASKATCHEWAN MILK CONTROL BOARD

During the past year, the Board held eight regular meetings. Board members also spent numerous days attending various committee meetings, as well as maintaining contact with local milk committees, producers and industry organizations.

The Board gratefully acknowledges the support and cooperation provided by all sectors of the dairy industry, including government and university personnel.

Financing of the operation of the Board was derived from assessment fees levied on producers and processors, processor license fees and interest on investments.

LEGISLATION

The pricing of milk for fluid purposes was a Board responsibility. The Federal Government has jurisdiction over the industrial milk market, administered through a federal-provincial agreement known as the National Milk Marketing Plan.

The following is an outline of the decisions of the Board during 1991 regarding fluid and industrial milk prices.

In Board Order No. 583 (Regulation 1991 (No. 1), (No. 1), filed January 23, 1991 and effective February 1, 1991, the butterfat price differential was amended from $.46 to $.20. Also, 1% partly-skimmed milk in the 4 litre pouch-pak was added to the Board's pricing orders. The following were the amended orders:

Part II of the Appendix to the Milk Control Regulations is amended.

(a) In Table 1 and Table 3 by adding the following after the heading "1% partly-skimmed milk":

Per 4 litre pouch-pak $3.56 min. $3.64 max.

In Board Order No. 584 (Regulation 1991 (No. 2), filed on August 12, 1991 and effective August 16, 1991, the price structure was revised in the producing sector. The adjusted prices for Class II and Class III milk are listed below:

Class II milk....$43.62 per 100 kilograms
Class III milk...$41.87 per 100 kilograms

THE MILK CONTROL BOARD

FINANCIAL STATEMENTS

Year Ended December 31, 1991

OFFICE OF THE PROVINCIAL AUDITOR

REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the balance sheet of The Milk Control Board as at December 31, 1991 and the statements of revenue, expenditure and retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

W.K. Strelioff

Regina, Saskatchewan
February 20, 1992

W. K. Strelioff
Provincial Auditor

THE MILK CONTROL BOARD

BALANCE SHEET

As at December 31

	1991	1990
ASSETS		
Current:		
Cash	$ 366,229	$ 498,252
Accounts receivable		
- trade	5,392,721	5,640,896
- other	2,298	4,500
	5,761,248	6,143,648
Fixed:		
Office furniture & equipment (Note 1(c) and 3)	9,271	13,495
	$5,770,519	$6,157,143
LIABILITIES AND EQUITY		
Current:		
Accounts payable		
- trade	$5,670,597	$5,942,593
- vacation accrual	36,526	33,444
	5,707,123	5,976,037
Equity:		
Retained earnings (Statement 2)	63,396	181,106
	$5,770,519	$6,157,143

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

STATEMENT OF REVENUE, EXPENDITURE AND RETAINED EARNINGS

Year Ended December 31

	1991	1990
Revenue:		
Milk sold to Processors	$102,248,499	$104,048,800
Milk Pool Administration and Assessment fees	469,038	484,164
Interest	59,118	98,401
Milk quality penalties	14,227	14,145
Cost of Production Study grants	---	5,500
Licence fees and miscellaneous	225	371
	102,791,107	104,651,381
Expenditure:		
Milk purchased from Producers	102,248,499	104,048,800
Salaries	242,077	234,761
Milk Pool administration expense	160,528	163,173
Cost of Production Study	75,049	66,043
Travel, sustenance and vehicle expense	64,014	57,167
Rent	35,107	33,529
Administrative expense	21,106	23,307
Employee benefits	17,035	15,450
Disposal of unsaleable milk	19,574	12,788
Honorarium - Milk Control Board	14,415	11,005
- Advisory Board	5,890	6,200
Depreciation	5,523	5,818
	102,908,817	104,678,041
Excess of expenditure over revenue	(117,710)	(26,660)
Retained earnings, beginning of year	181,106	207,766
Retained earnings, end of year (Statement 1)	$ 63,396	$ 181,106

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31

	1991	1990
Cash (used in) provided by operating activities		
Excess of expenditure over revenue	$(117,710)	$ (26,660)
Add depreciation not requiring an outlay of cash	5,523	5,818
	(112,187)	(20,842)
Net change in non-cash working capital	(18,536)	72,851
Cash provided by operating activities	(130,723)	52,009
Cash (used in) investing activities		
Acquisition of fixed assets	(1,300)	---
Net (decrease) increase in cash during the year	(132,023)	52,009
Cash, beginning of year	498,252	446,243
Cash, end of year	$ 366,229	$ 498,252

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

NOTES TO FINANCIAL STATEMENTS

December 31, 1991

1. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting policies that are considered appropriate for organizations of this type. The significant accounting policies are as follows:

a) Accrual Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Milk Pool

The Milk Control Board is responsible under the statutes of Saskatchewan for the control and regulation of the marketing of milk in the province. In fulfilling this responsibility, the Board operates a milk pooling system whereby the Board purchases the milk from the producers and sells it to the processors. The value of the milk sold to the processors is determined by its final product use and the prices established by the Board. The purchase price paid by the Board is based upon the value of the milk sold to the processors and upon the quality and quantity of milk shipped by the producers.

c) Fixed Assets

Office furniture and equipment is recorded at cost less accumulated depreciation; maintenance and repairs are charged against operations as incurred.

Equipment is depreciated over its estimated useful life on the straight-line method at 20% per annum.

d) Milk Purchased from Producers/Sold to Processors

The Milk Control Board is responsible for the milk purchased from producers and milk sold to processors. The collections and payments of this process are administrated by the Board's agent Dairy Producers Co-operative Limited (DPCL) in accordance with the terms of an agreement dated December 31, 1988 between the Board and DPCL.

As the agent, DPCL makes payments to producers and receives receipts for sales of milk on behalf of the Board. The Board receives payments from DPCL for assessments in accordance with the agreement.

Because the Board is responsible for the purchase and sale of all milk in the province, the receipts and payments from the purchases and sales are recorded on the statement of Revenue, Expenditure and Retained Earnings of the Board.

2. Incorporation

The Milk Control Board was established as a body corporate under The Milk Control Act, Chapter 234, Revised Statutes of Saskatchewan, 1965, and is continued under Chapter M-15, Revised Statutes of Saskatchewan, 1978.

The Board has authority to make any regulations or orders in connection with the production, supply, distribution or sale of milk as it may deem necessary.

3. Fixed Assets

	Cost	Accumulated Depreciation	1991 Net Book Value	1990 Net Book Value
Office furniture and equipment	$38,603	$29,332	$ 9,271	$13,495

4. Related Party Transactions

a) Grants

In 1991, the Board recognized Nil (1990 - $5,500) as revenue from the Saskatchewan Department of Agriculture and Food to assist in the costs of the Cost of Production Studies.

b) Milk Pool Administration Expense

In 1991, the Board was billed $53,629 (1990 - $54,981) by the Saskatchewan Department of Agriculture and Food for milk composition analysis and data transfer services.

c) Other

Also included in these financial statements are expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan crown-controlled departments, agencies and corporations with which the Board is related.

Account balances resulting from these transactions are included in the statement of financial position and are settled on normal trade terms.

TABLE III

TOTAL WHOLE MILK REQUIREMENTS, NUMBER OF MILK PRODUCERS AND AVERAGE DAILY PRODUCTION 1990-91 (KGS)

PERIOD	YEAR	WHOLE MILK REQUIREMENTS	TOTAL PRODUCTION	NUMBER OF PRODUCERS	DAILY AVERAGE PER PRODUCER
January	1990	8,385,036	18,798,340	663	915
	1991	8,413,085	18,406,456	649	915
February	1990	7,638,332	17,531,925	661	947
	1991	7,547,641	17,087,180	648	942
March	1990	8,685,959	19,463,116	661	950
	1991	8,218,463	19,056,756	647	950
April	1990	7,786,649	18,618,876	660	940
	1991	8,305,892	18,444,422	642	958
May	1990	8,324,421	19,006,697	657	933
	1991	8,394,979	18,684,623	639	943
June	1990	7,854,329	18,307,795	656	930
	1991	7,278,582	17,959,752	636	941
July	1990	7,442,503	18,394,702	656	905
	1991	7,425,911	17,578,689	636	892
August	1990	8,213,232	18,387,078	656	904
	1991	8,109,855	17,482,017	633	891
September	1990	7,611,550	17,244,619	651	883
	1991	7,807,411	16,655,901	631	880
October	1990	8,561,486	17,571,097	649	873
	1991	8,601,573	16,676,334	626	859
November	1990	8,576,738	17,007,990	648	875
	1991	8,149,446	16,231,790	626	864
December	1990	8,104,483	17,999,970	647	897
	1991	7,976,301	17,431,722	621	905
TOTALS	1990	97,184,490	218,332,205	655	913
	1991	96,229,139	211,695,642	636	912
% Change		-0.98	-3.04	-2.90	- .11

TABLE IV

TOTAL PRODUCTION QUOTA DISTRIBUTION BY AREA 1986 TO 1991

DAIRY YEAR	ESTEVAN	WEYBURN	SWIFT CURRENT	REGINA	YORKTON	SASKATOON	NORTH B'FORD	MELFORT	PRINCE ALBERT	LLOYD-MINSTER	TOTAL
1986/87											
# PROD.	33	41	59	97	112	252	44	40	31	14	723
T.P.Q.	9,022,850	12,730,733	22,824,272	29,564,678	28,239,012	70,941,005	13,120,141	11,527,563	7,429,455	3,868,943	209,288,652
% OF TOTAL	4.3	6.1	10.9	14.1	13.5	33.9	6.3	5.5	3.5	1.9	100.0
AVE./PROD.	273,420	310,506	386,852	304,790	252,134	281,512	298,185	288,189	239,660	277,782	289,473
1987/88											
# PROD.	34	39	58	91	105	248	38	40	33	17	703
T.P.Q.	10,214,458	12,611,074	23,564,921	29,260,847	28,435,458	73,507,627	10,664,520	12,296,496	8,133,467	6,437,774	215,126,642
% OF TOTAL	4.7	5.9	11.0	13.6	13.2	34.2	4.9	5.7	3.8	3.0	100.0
AVE./PROD.	300,425	323,361	406,292	321,548	270,814	296,402	280,645	307,412	246,469	378,693	306,012
1988/89											
# PROD.	33	38	58	93	95	247	39	37	29	18	687
T.P.Q.	10,131,657	12,960,128	24,780,498	31,288,808	27,580,831	74,960,601	11,553,123	12,234,329	6,925,149	7,130,433	219,545,557
% OF TOTAL	4.6	5.9	11.3	14.2	12.6	34.1	5.3	5.6	3.2	3.2	100.0
AVE./PROD.	307,020	341,056	427,250	336,439	290,325	303,484	296,234	330,658	238,798	396,135	319,571
1989/90											
# PROD.	30	36	57	90	92	244	38	38	27	17	669
T.P.Q.	9,545,045	12,337,070	25,113,204	31,114,272	27,661,528	76,778,855	11,509,644	12,374,845	6,583,213	7,085,671	220,103,347
% OF TOTAL	4.3	5.6	11.4	14.1	12.6	35.0	5.2	5.6	3.0	3.2	100.0
AVE./PROD.	318,168	342,696	440,583	345,714	300,669	314,667	302,885	325,654	243,823	416,804	329,004
1990/91											
# PROD.	29	34	58	89	87	243	37	36	26	17	656
T.P.Q.	9,389,401	11,760,266	25,390,638	30,469,882	26,602,996	77,106,664	11,220,722	11,993,474	6,318,557	7,345,082	217,597,682
% OF TOTAL	4.3	5.4	11.7	14.0	12.2	35.4	5.2	5.5	2.9	3.4	100.0
AVE./PROD.	323,772	345,890	437,770	342,358	305,782	317,311	303,263	333,152	243,021	432,064	331,704
1991/92											
# PROD.	27	32	59	85	83	238	37	34	24	16	635
T.P.Q.	8,823,097	10,986,172	25,418,838	29,511,955	25,087,856	74,833,106	11,386,645	10,588,128	6,089,033	7,121,701	209,846,531
% OF TOTAL	4.2	5.2	12.1	14.1	12.0	35.7	5.4	5.0	2.9	3.4	100.0
AVE./PROD.	326,781	343,318	430,828	347,199	302,263	314,425	307,747	311,416	253,710	445,106	330,467

Legend:

Prod. - Number of producers
T.P.Q. - Total yearly milk production quota by area
% of Total - Area percentage of total yearly quota
Ave./Prod. - Average yearly quota per producer

TABLE V

COMPARATIVE SALES BY LITRES OF MILK AND CREAM PRODUCTS IN SASKATCHEWAN - 1990-91

PRODUCTS	YEAR	RETAIL SALES (HOME DELIVERY)	WHOLESALE SALES	COUNTRY SALES [1/]	TOTAL SALES	%
Whole Milk	1990	2,082,367	8,744,924	5,998,875	16,826,166	17.7
	1991	1,916,180	8,013,985	5,571,296	15,501,461	16.5
Partly Skimmed 2%	1990	6,583,927	27,988,863	17,972,841	52,545,631	55.4
	1991	6,270,812	26,517,474	17,643,400	50,431,686	53.7
Partly Skimmed 1%	1990	1,395,162	7,420,392	4,078,365	12,893,919	13.6
	1991	1,772,482	8,844,954	4,802,909	15,420,345	16.4
Skimmed	1990	1,055,878	4,371,506	1,836,117	7,263,501	7.7
	1991	1,078,128	4,464,995	1,930,649	7,473,772	8.0
Chocolate	1990	198,988	2,911,293	1,533,989	4,644,270	4.9
	1991	170,901	2,729,825	1,512,853	4,413,579	4.7
Buttermilk	1990	37,106	412,903	222,436	672,445	.7
	1991	36,040	395,947	222,417	654,404	.7
TOTAL MILK SALES	1990	11,353,428	51,849,881	31,642,623	94,845,932	100.0
	1991	11,244,543	50,967,180	31,683,524	93,895,247	100.0
10% CREAM	1990	109,749	1,336,190	468,786	1,914,725	
	1991	89,725	1,265,509	472,565	1,827,799	
18% CREAM	1990	1,300	11,426	474	13,200	
	1991	30	14,650	-----	14,680	
32% CREAM	1990	24,190	504,460	246,295	774,945	
	1991	13,419	494,857	250,674	758,950	

TOTAL MILK SALES BY DISTRIBUTION OUTLET 1990 - 91

	1990	%	1991	%
Retail Sales (Home Delivery)	11,353,428	11.97	11,244,543	11.98
Wholesale Sales	51,849,881	54.67	50,967,180	54.28
Country Sales [1/]	31,642,623	33.36	31,683,524	33.74
TOTAL SALES	94,845,932	100.0	93,895,247	100.00

[1/] Sales in non-controlled areas

TABLE VI

THE AVERAGE MONTHLY MILK POOL PRICE - 1990-91 [1/]
(PER HUNDRED KILOGRAMS OF 3.5% BUTTERFAT)

	GROUP I POOL			GROUP II POOL		
MONTH	1990	1991	% CHANGE	1990	1991	% CHANGE
January	$49.01	$49.34	+ .67	$42.70	$43.22	+1.22
February	49.04	49.17	+ .27	42.67	43.12	+1.05
March	49.20	49.14	- .12	42.67	43.11	+1.03
April	48.73	49.43	+1.44	42.63	43.08	+1.06
May	48.95	49.31	+ .74	42.52	42.98	+1.08
June	48.72	48.76	+ .08	42.42	42.80	+ .90
July	48.33	48.26	- .14	41.31	42.51	+2.90
August	48.80	49.56	+1.56	42.17	43.42	+2.96
September	49.06	49.95	+1.81	43.08	44.31	+2.86
October	49.61	50.49	+1.77	43.22	44.55	+3.08
November	49.81	50.48	+1.35	43.22	43.77	+1.27
December	49.04	49.77	+1.49	43.12	44.23	+2.57
YEARLY AVERAGE	49.03	49.47	+ .90	42.64	43.43	+1.85

[1/] Price includes subsidies less inquota levies and skim off levy.

TABLE VII

MARKET SHARE QUOTA UTILISATION BY DAIRY YEAR

			INDUSTRIAL MILK [1]		INDUSTRIAL CREAM	
MONTH	YEAR	AVERAGE TEST	KILOGRAMS MILK	KILOGRAMS BUTTERFAT	KILOGRAMS BUTTERFAT	TOTAL KILOGRAMS BUTTERFAT
August	1989	3.44	9,511,250	327,187	42,591	369,778
	1990	3.57	9,638,790	334,466	30,227	364,693
September	1989	3.63	8,512,727	309,012	29,848	338,860
	1990	3.61	9,113,740	329,006	21,535	350,541
October	1989	3.73	8,529,973	318,168	26,039	344,207
	1990	3/74	8,428,663	315,232	20,212	335,444
November	1989	3.70	8,492,108	314,208	21,946	336,154
	1990	3.74	7,896,230	295,319	18,995	314,314
December	1989	3.65	9,494,329	346,543	16,134	362,677
	1990	3.67	9,330,490	342,429	13,337	355,766
January	1990	3.59	9,843,092	353,367	19,579	372,946
	1991	3.64	9,443,791	343,754	17,701	361,455
February	1990	3.59	9,402,981	337,567	18,836	356,403
	1991	3.60	9,040,417	325,455	15,697	341,152
March	1990	3.57	10,152,353	362,439	22,621	385,060
	1991	3.62	10,267,265	371,675	17,248	388,923
April	1990	3.58	10,333,994	369,957	22,801	392,758
	1991	3.61	9,500,997	342,986	21,154	364,140
May	1990	3.53	10,136,742	357,827	28,064	385,891
	1991	3.55	9,743,408	345,891	23,257	369,148
June	1990	3.46	9,953,642	344,396	27,943	372,339
	1991	3.46	9,942,139	343,998	22,677	366,675
July	1990	3.45	10,432,551	359,923	24,746	384,669
	1991	3.46	9,776,503	338,267	20,692	358,959
TOTALS	1989/90	3.57	114,795,742	4,100,594	301,148	4,401,742
	1990/91	3.61	112,122,433	4,028,478	242,732	4,271,210

[1] Includes all milk utilized for industrial purposes.

[2] Market Share Quota allocated to Saskatchewan for the 1990-91 dairy year was 4,144,888 kilograms of butterfat.

TABLE VIII

TOTAL SALES OF MILK & CREAM IN LITRES BY SIZE OF CONTAINERS JANUARY 1, 1991 - DECEMBER 31, 1991

SIZE OF CONTAINERS	YEAR	FLUID MILK PRODUCTS	% OF TOTAL	CREAM	% OF TOTAL	TOTAL ALL PRODUCTS	% OF TOTAL
20 LITRES	1990	1,797,280	1.90	----	----	1,797,280	1.84
	1991	1,534,740	1.63	----	----	1,534,740	1.59
15 LITRES	1990	1,127,955	1.19	22,770	.84	1,150,725	1.18
	1991	1,028,565	1.10	27,690	1.06	1,056,255	1.10
10 LITRES	1990	3,790	----	26,650	.99	30,440	.03
	1991	810	----	36,620	1.41	37,430	.04
4 LITRES	1990	3,331,568	3.51	----	----	3,331,568	3.42
	1991	3,301,664	3.52	----	----	3,301,664	3.42
2 LITRES	1990	75,743,778	79.86	----	----	75,743,778	77.65
	1991	75,694,024	80.61	----	----	75,694,024	78.44
1 LITRE	1990	9,011,870	9.50	456,339	16.88	9,468,209	9.71
	1991	8,728,120	9.09	459,078	17.65	9,187,198	9.52
500 ML.	1990	1,611,826	1.70	1,413,761	52.31	3,025,587	3.10
	1991	1,603,108	1.72	1,380,912	53.08	2,984,020	3.09
250 ML.	1990	2,059,753	2.17	294,744	10.90	2,354,497	2.41
	1991	1,863,314	1.98	282,930	10.88	2,146,244	2.22
125 ML.	1990	158,112	.17	----	----	158,112	.16
	1991	140,902	.15	----	----	140,902	.15
CREAMETTES	1990	----	----	488,606	18.08	488,606	.50
	1991	----	----	414,199	15.92	414,199	.43
TOTALS	1990	94,845,932	100.00	2,702,870	100.00	97,548,802	100.00
	1991	93,895,247	100.00	2,601,429	100.00	96,496,676	100.00

TABLE IX

CREAM PRODUCER PROFILE BY DAIRY YEAR

DAIRY YEAR	KGMS QUOTA	% CHANGE	# OF PRODUCERS	% CHANGE	AVE. QUOTA PER PRODUCER
1987-88	480,092	- 16.76	1,139	- 21.93	422
1988-89	440,714	- 8.20	984	- 13.61	448
1989-90	370,249	- 15.99	853	- 13.31	434
1990-91	279,842	- 24.42	655	- 23.21	427
1991-92	233,401	- 16.60	537	- 18.02	435

TABLE X

SUMMARY OF QUOTA TRANSFERRED BY DAIRY YEAR

1987/88 - 1990/91

	1987/88		1988/89		1989/90		1990/91	
TYPES OF TRANSFER	KGMS	%	KGMS	%	KGMS	%	KGMS	%
WITHIN FAMILY	352,887	4.9	650,345	7.9	2,226,725	19.9	2,915,228	26.8
ON-GOING OPERATIONS	979,946	13.5	1,034,605	12.5	841,506	7.5	783,243	7.2
NEW LOCATION	5,928,698	81.6	6,566,121	79.6	8,147,586	72.6	7,197,275	66.0
TOTAL TRANSFERRED	7,261,531	100.0	8,251,071	100.0	11,215,817	100.0	10,895,746	100.0
PERCENT OF TOTAL QUOTA	3.1		3.6		5.0		4.8	
20% BOARD ASSESSMENT[1/]	1,621,486		1,335,748		1,661,662		1,443,054	
PERCENT OF TOTAL QUOTA	0.70		0.58		0.74		0.64	
TOTAL QUOTA ISSUED - MILK EQUIVALENTS	231,660,100		230,828,805		223,808,687		225,885,557	

1/ Board assessments on quota transfers were used to avoid or minimize yearly quota reductions resulting from consumption declines.

TABLE XI

SCHEDULE OF BASIC TRANSPORTATION CHARGES BASED ON PRODUCER MONTHLY PRODUCTION

KGS. PRODUCED MONTHLY	1991 [1/]
Min. Charge - 9,000	$1.432
9,001 - 13,600	1.403
13,601 - 18,100	1.374
18,101 - 22,600	1.330
22,601 - 27,200	1.315
27,201 - 31,700	1.300
31,701 - 36,200	1.286
36,201 - 40,800	1.272
40,801 - 45,300	1.256
45,301 - 49,900	1.242
49,901 - 54,400	1.229
54,401 - 58,900	1.212
58,901 - 63,500	1.198
63,501 - 68,000	1.184
68,001 - 72,600	1.168
72,601 - 77,100	1.155
77,101 - 81,600	1.140
81,601 - 86,200	1.110
86,201 - and over	1.110

Distance to be based on the air kilometres between the producer and the nearest processor.

Haulage rate based on kilometres plus volume formula.

[1/] A kilometer rate of 1.46¢ (.0146) per kilometer per 100 kilograms.